

COMPACT GOAL

Advance economic growth and poverty reduction in the Northern Zone of El Salvador by improving human and physical capital; increasing production and employment; and reducing travel costs and time within the country and Central America more broadly.



COMPACT AT A GLANCE

Compact Signed	11-29-2006
Entry Into Force	09-20-2007
Compact End Date	09-20-2012
Compact Total	\$460,940,000
Amount Committed	\$422,669,983
Amount Expended	\$336,920,035
Estimated Program Beneficiaries	794,800
Estimated Increase in Household Income	\$366,700,000

% OF TOTAL COMPACT	BUDGET (USD MILLIONS)
15%	Productive Development Project \$68.5
58%	Connectivity Project \$268.8
19%	Human Development Project \$89.1
1%	Monitoring & Evaluation \$6.2
6%	Program Administration \$28.0

■ Project Preparation ■ Project Implementation

Productive Development Project

Increase production and employment in the Northern Zone through technical assistance to farmers and small businesses, capital investment in competitively selected commercial projects, credit guarantees for micro, small and medium-sized enterprises, and technical assistance to financial institutions.

Projected Long-Term Results (Up to 20 years)

ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME
47,600	\$78,510,000

PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES ¹
\$68,536,736	\$65,894,789	\$57,013,980



PROJECTED RESULTS BY END OF COMPACT

Increase incomes of beneficiaries by at least 15%, create 11,000 new jobs, and increase investment in the Northern Zone by providing technical assistance to 13,500 producers.

PROGRESS TO DATE

Over 11,386 jobs have been created as a result of the Productive Development Project (PDP) in the northern zone, 19,435 hectares are currently under production with support from PDP, and 17,006 beneficiaries are receiving technical assistance and training. More than \$9.1 million in loans to micro, small, and medium-sized businesses have been guaranteed through the PDP, increasing access to credit for productive investment in the northern zone.

PROJECT ACHIEVEMENTS

The Ministry of Agriculture and Livestock has formally adopted the technical assistance and business development platform of the Productive Development Project design as national policy to be replicated throughout the country.

Connectivity Project		PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES [†]
		\$268,891,273	\$246,218,914	\$188,845,875
<p>Reduce travel cost and time within the Northern Zone by designing, constructing, and rehabilitating a two-lane paved road which will serve as a national transport artery and augment El Salvador's international connectivity.</p>		<p>YEAR 1 YEAR 2 YEAR 3 YEAR 4 YEAR 5</p> <p>Northern Transnational Highway</p> <p>PRESENT</p>		
<p>Projected Long-Term Results (Up to 20 years)</p>		<p>PROJECTED RESULTS BY END OF COMPACT</p> <p>Reduce the travel time across the Northern Zone from almost 12 hours to less than 6 hours and reduce vehicle operating costs by 24%.</p>	<p>PROGRESS TO DATE</p> <p>All work contracts for the Northern Transnational Highway has been awarded and construction is underway. Over \$147 million has been disbursed towards contracted roads work.</p>	<p>PROJECT ACHIEVEMENTS</p>
ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME			
644,190	\$185,230,000			

Human Development Project		PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES [†]
		\$89,146,523	\$87,303,826	\$68,037,654
<p>Increase human and physical capital of residents of the Northern Zone in order to take advantage of employment and business opportunities by providing formal and non-formal education, improved access to potable water systems and basic sanitation services, electricity coverage, and improved community infrastructure.</p>		<p>YEAR 1 YEAR 2 YEAR 3 YEAR 4 YEAR 5</p> <p>Education & Training</p> <p>Water & Sanitation</p> <p>Rural Electrification</p> <p>Community Infrastructure</p> <p>PRESENT</p>		
<p>Projected Long-Term Results (Up to 20 years)</p>		<p>PROJECTED RESULTS BY END OF COMPACT</p> <p>Provide formal technical vocational education for students and non-formal training, access to potable water systems and sanitation services, increase electricity coverage in the Northern Zone, and construct and improve community infrastructure.</p>	<p>PROGRESS TO DATE</p> <p>3,499 households have access to improved sanitation, 16,049 households enjoy connections to the electricity network, and 53,346 residents of the northern zone are benefiting from strategic infrastructure projects such as small bridges and rural roads.</p>	<p>PROJECT ACHIEVEMENTS</p> <p>The Government of El Salvador reported improvements in "Investing in People" indicators, including increased primary education spending as a proportion of GDP by nearly 30% since 2009, from 1.9 (2009) to 2.5 (2011), with new funds supporting teacher education, meals, and school supplies, uniforms, and shoes for primary school children.</p>
ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME			
243,395	\$102,967,000			

[†]Expenditures are the sum of cash outlays and quarterly accruals for work completed but not yet paid or invoiced.